(d) if so, the details thereof and the steps taken by Government in this regard?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) and (b) Madras Fertilizers Limited (MFL) has provisionally incurred a loss of Rs. 60.02 crore during the year 2003-04. The cumulative loss incurred by the company as on 31.6.2004 is of the order of Rs. 221.92 crore.

(c) and (d) The main causes of loss are constraints in the Urea Prill Tower after revamp, shortage of water, frequent equipment problems, unprecedented drought in Southern states, low sales, high inventory and liquidity crisis resulting into non-procurement of raw materials such as P205 and MOP.

With a view to improve the financial performance of the company, Government has provided budgetary support for undertaking renewals/ replacements of trouble making equipments in the plants. Besides, GOI in July 2002 had written off interest of Rs. 65 crore on Government loans as on 31.3.2002. Again in July 2003, the Government waived interest and penal interest of Rs. 89.23 crore on GOI loans as on 31.3.2003 and reduced rate of interest on the loans to 7% per annum with effect form 1.4.2003. Taking into account the request made by MFL for additional compensation for its products under the New Pricing Scheme for urea and Concession Scheme for NPK fertilizers, the process for formulation of a third and long-term financial restructuring package has also been

initiated for revival of MFL.

Clean coal technology based fertilizer plants

1812. SHRI DIPANKAR MUKHERJEE: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether a number of power and fertilizer plants in other countries are running on clean coal technology/coal gassification process;

(b) whether eight such plants are under implementation in China alone;

(c) whether Government are considering implementation of such project in the country,

(d) if so, the details thereof and if not, the reasons therefor;

(e) whether possibilities of revival of coal based fertilizer plants or retrofitting Naphtha based fertilizer plants with coal gassification process is being looked into; and

(f) if not, the reasons therefor?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) and (b) A number of coal based fertilizer plants are operating in other countries and there are four coal based ammonia plants with capacities above 1000 tonnes per day under implementation in China. A few power plants based on integrated Coal Gasification Combined Cycle (IGCC) technology are also in operation in other countries. The coal gasification technology is in the demonstration stage in these countries and is yet to prove as a commercially viable option for power generation. There is no specific information on the number of power plants under implementation in China using this technology. The coal gasification technology is yet to be demonstrated for the high ash Indian coals.

(c) to (f) The Government has not so far received any proposal for setting up fertilizer plants based on synthesis gas from coal gassification in the country. In the event of synthesis gas from coal gasification being available in adequate quantities at economical rates for fertilizer production, the techno-economic feasibility of setting up new plants or revival/retrofitting of existing coal and naphtha based plants based on this as feedstock would have to be established in the light of the fact that indigenous coal has high ash content and its beneficiation/washing to bring down ash condent may involve high operational costs. In the power sector, pilot coal gasification projects have been established at Indian Institute of Chemical Technology and Bharat Heavy Electrical Ltd. (BHEL), both at Hyderabad. BHEL has set up 6.2 MW IGCC pilot plant at Tiruchi to demonstrate the technology. Efforts are on to set up an IGCC project to demonstrate the technology using high ash Indian coal. In this regard an inter Ministerial Steering Group under the Chairmanship of Secretary (Power) has been constituted for monitoring the implementation of 100 MW IGCC demonstration project. This project is proposed to be put up as a joint venfure between BHEL and NTPC. Auraiya Gas Power Station of NTPC has been selected for setting up this demonstration project.